

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 299 – SB 1187**

February 22, 2017

**SUMMARY OF BILL:** Exempts any person who manufactures, processes, packs, or holds food for introduction into commerce from being required to obtain a license from the Department of Agriculture (DOA) under the Tennessee Food, Drug and Cosmetic Act, if: the food is not potentially hazardous; the person is not subject to any other specified license or permit requirements; the person introduces food into commerce only through direct retail sales to end consumers in the state; the person employs no regular, full-time employees; and the person labels the food in accordance with state laws and regulations. Excludes food manufacturers that purchase eggs for product use from obtaining a license from the DOA. Deletes various sections of the Tennessee Code Annotated, including the 1909 Food Establishment Law, the Vending Machines Law, and the Refrigerated Locker Plant Law.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue - \$7,800/Agriculture Regulatory Fund**

**Decrease State Expenditures - \$7,800/Agriculture Regulatory Fund**

**The Governor's Recommended Budget Document for FY17-18 (page A-38), includes a recurring decrease in state revenue to the Agriculture Regulatory Fund of \$7,800, and a recurring decrease in state expenditures to the Agriculture Regulatory Fund of \$7,800.**

**Assumptions:**

- According to DOA, there are 155 existing domestic kitchens that are currently required to obtain a \$50 permit, but will be exempt from such requirement pursuant to this bill.
- As a result, the recurring decrease in state revenue to Agriculture Regulatory Fund (ARF) is estimated to be \$7,750 (155 domestic kitchens x \$50 permit).
- Based on the information provided by DOA, the average miles traveled to domestic kitchen sites for inspections is 32 roundtrip miles, and the cost per mile is \$0.47. As a result, the recurring decrease in state expenditures to the ARF is estimated to be \$2,331 (32 roundtrip miles x \$0.47 per mile x 155 domestic kitchens).
- The average expenditures incurred by the DOA for inspection of domestic kitchen sites are estimated to be \$35. The recurring decrease in state expenditures to the ARF is estimated to be \$5,425 (\$35 inspection fee x 155 domestic kitchens).

- The total recurring decrease in state expenditures to the ARF is estimated to be 7,756 (\$2,331 + \$5,425).
- The bill deletes various obsolete sections of the Tennessee Code Annotated, whose provisions are currently covered under the Tennessee Food, Drug and Cosmetic Act. Any impact to the Tennessee Code Commission to remove such obsolete provisions from statute is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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